



California Public Utilities Commission

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News Release

FOR IMMEDIATE RELEASE

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PUC APPLAUDS GOVERNOR'S SIGNING OF TELECONNECT FUND BILL LIFTING THE SUSPENSION OF UNIVERSAL TELECOMMUNICATIONS SERVICES TO COMBAT THE DIGITAL DIVIDE

SAN FRANCISCO, Sept. 29, 2004 – The California Public Utilities Commission (PUC) today applauded Governor Schwarzenegger's signing of Senate Bill (SB) 1276, which restored funds for the California Teleconnect Fund (CTF) for fiscal year 2004-2005. In response, the PUC today sent a letter to telecommunications carriers directing them to begin offering applicable discounted rates and charges to qualifying organizations retroactively to July 1, 2004, and to provide notice to affected customers of this action.

In 1997, the CTF was implemented to provide discounts on a wide array of telecommunications services to schools and libraries, municipal, county and hospital district-owned hospitals and health clinics, and Community Based Organizations. The covered services range from basic telephone service to high-speed services or their functional equivalents. These discounts enable these entities to gain access to the Internet and other high-speed communications technology.

"I am pleased that the Governor signed the bill to enable the CTF program to continue," said PUC President Michael R. Peevey. "SB 1276 restores an appropriation for the CTF that is vital to enabling the Commission to lift the suspension on discounts on a wide array of telecommunications services to qualifying community organizations."

Due to the lack of budget authority to fund reimbursements to telecommunications providers for claims against the CTF for the fiscal year beginning July 1, 2004, many carriers asked for Commission authority to suspend giving discounts. The Commission agreed and the requesting carriers provided notice to affected customers of this action.

Today's letter to carriers from the PUC, made possible by the Governor's approval of SB 1276, directed carriers to begin offering the CTF discounts again. The PUC also notified the Department of Education of the CTF program status.

SB 1276 also extended statutory authorization of the California High Cost Fund A and High Cost Fund B programs with finance equalization of rates for rural telecommunications services. Funding for those programs was already provided for in this year's budget.

For more information on the PUC, please visit www.cpuc.ca.gov.

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